

REPORT

Of the Committee on so much of the Public Accounts and Expenditures as relate to the War Department, on the case of Col. Elias Earle.

JANUARY 9, 1818.

Read and ordered to lie on the Table.

The Committee on the subject of Expenditures for the War Department,

REPORT:

The Committee have examined with attention, the documents referred to them, in relation to a contract entered into between the Government and Col. Elias Earle, at the close of the 13th Congress, and the advance to said Earle a sum of money equal to \$10,000, as agent for the government for special purposes connected with the defence of the southern states and territories; and the committee have obtained additional documents, and all the information necessary to a knowledge of the whole transaction. Col. Earle signed the contract alluded to, while a member of the House, but with an express understanding that it was not considered binding until he returned to South Carolina and obtained sufficient security, which was obtained about four months after he ceased to be a member of Congress; and it was further expressly conditioned, that said Earle was at liberty to deliver the contract to government, and be absolved from its obligations, if, upon consulting friends in his neighbourhood, he should be of opinion that he could not with certainty comply with his engagements: That said Earle did give up said contract, and was released from it by government before any steps had been taken by said Earle to carry the contract into effect, and before the government advanced any money upon the contract, for no money was advanced to said Earle upon said contract. As to the money advanced to said Earle in time of war, for the purpose of embodying the Southern Indians in defence of our country, and to purchase goods and other articles to effect that object, the news of peace was received before the great object was accomplished, but after the purchase of goods and other articles were made, and on their way to the points selected for that purpose. Upon this state of things, a different destination was given to the goods, and Col. Earle called and settled his account, and paid the balance due the United States, which amounted to about 12,000 dollars, which sum is paid, and his accounts with the government closed—all which is respectfully submitted.

Report of the Committee on so much of the Public Accounts and Expenditures, as relate to the War Department, made March 1st, 1817.

The committee on Expenditures in the Department of War,
REPORT:

That having satisfactorily ascertained that government had advanced to Col. Elias Earle the sum of forty thousand dollars, on the 3d of February, 1815, and had also entered into a contract with him on the 16th of said February, for the delivery of a number of stands of arms, addressed a note to the acting Secretary of War requesting information on these subjects. The acting Secretary addressed to their chairman, an answer which they report to the House, together with the documents accompanying his letter. The committee further report, that Mr. Earle was at that time a member of the House of Representatives. The act of the 21st April, 1808, makes it unlawful for a member of Congress to enter into any contract with any officer, in behalf of the United States. The following resolution is submitted for consideration:

Resolved, That the letter from the acting Secretary of War, addressed to the chairman of the committee on the expenditures in the Department of War, dated 17th January, 1817, together with the documents accompanying the same, be referred to the attorney general.

Col. Johnson, Chairman of the Committee, for Expenditures in the War Department.

SIR,

In looking over the papers referred to Congress, the 1st. of March, 1817, by the Committee of Expenditures for the War Department, as relates to my case, it does appear to me that much injustice has been done me, by keeping back many proper papers and vouchers that would have thrown additional light on the subject. The receipt in full for the \$40,000, advanced me for special purposes by the Secretary of War, on the 3d of Feb. 1815, and signed by Peter Hagner, Esq. accountant of the War Department, on the 14th of November, 1816, at which day I settled all my accounts with the Government; and the Expenditures having been approved of by Mr. Graham, then acting as Secretary of War, as well as my bond for executing the contract for the manufactory of arms, and dated the 7th of June, 1815, ought to have been laid before the Committee and published; as also, the statement of Col. Bomford and Captain Morton. These papers

were here on record, and those gentlemen were also in the City, and any information from them on the subject could have been easily obtained. It was by special agreement with Colonel Bomford, that I even executed the contract here, and that the last act I done before I left the city although it bears date two days before, and I am fully of the opinion that I never was in the Capitol afterwards, having had leave of absence for some days before, to the end of the Session, when my time as a member of Congress expired, and the bond and papers on which this contract was predicated, was given up to me, to take to South Carolina, to have executed or not, as I saw proper, after I consulted with gentlemen there, who was to be engaged with me in the business, and which was not done till the June following.—Near four months after my time as a member expired, and then or about that time, returned the papers to the Ordnance Department. There is another circumstance in Mr. Graham's letter of the 17th of January, 1817, to the Committee of Expenditures in the War Department wherein he states, I expressed my inability to pay the balance then in my hands, which was the reason why the contract was changed to secure it to the government. Should any doubt arise with the committee, I beg leave to refer you to the honourable comptroller general, who has approved of the security, and whose certificate appears to be published with the documents of last Session.

Mr. Graham, admits there was no specific agreement with me for the trouble, expence, &c. I had with the purchases, deliver, &c. that I was only considered as an agent—on this part of the papers referred and published, I consulted with mercantile gentlemen, who told me they thought the charge as low as I ought in justice to make; they reside near this and the committee can, if they choose, have the benefit of their testimony at any time,

While I remain with esteem,

Sir your obedient servant,

ELIAS EARLE.

It having been represented to this department, that erroneous opinions and statements have been made, respecting the contract entered into with colonel E. Earle, of South Carolina, in the year 1815, for the manufacture of arms for the United States, it is deemed proper (and at his request) to state the circumstances which attended that transaction.

Towards the close of the last session of the Thirteenth Congress, colonel Earle occasionally called in at the office of this department, and in the course of conversation, stated his intention of retiring from public life, for the purpose of going into some active private business; that he had in consequence declined a re-election to

seat in the next Congress, and that he had obtained leave of absence from the House of Representatives, for the remainder of the term he had to serve.

The business which col. Earle proposed to engage in, was the manufacture of arms, muskets or rifles, for which purpose he stated that the situation of that part of the country where he usually resided, and the lands and streams of water, which formed part of his private property, were favorable. That if he could receive suitable encouragement from this department, he would go to the expense of erecting works to carry his views into effect; and as the undertaking would require a considerable time to mature it, he was desirous of ascertaining at once, the disposition of this office, to enter into an agreement with him for a certain number of arms to be manufactured annually, for a stipulated term, at, or nearly at the usual prices.

Having thus understood colonel Earle's intentions, and his means of carrying them into effect, and believing from the circumstances of his intended declining legislative service, and immediate retirement from the House of Representatives (then near its provisional termination) that an agreement with him would not be inconsistent with the legal provisions in such cases, it was concluded, with the advice and consent of the Department of War, to enter into a written agreement with him, upon the terms which had been finally adjusted.

As a further inducement to assenting to colonel Earle's proposal, it was considered by this department, that the agreement though ostensibly executed would not be so considered, till after a bond of surety, for its performance, should be also executed and approved; and which was to be arranged by colonel Earle after his return to South Carolina, and signed by other persons as joint security, who were residents in that state, which would require a period of time, that would be after his seat in Congress would be vacated; and it was accordingly not executed till the 7th June, 1815, when colonel Earle was no longer a member of Congress. It was further mutually understood, that before this final completion of the contract, colonel Earle should be permitted to show the nature and terms of the agreement to his friends, and take their advice as to the expediency of his undertaking it, and that in the event of their opinion being unfavorable thereto, or his declining its fulfilment, he should be absolved therefrom by this department.

It is deemed proper to add to this statement, that it was considered by this office an object of importance, to encourage the establishment of manufactories in the southern states; with the view not only of given them a participation in their advantages, but to facilitate the furnishing of military supplies in those sections of the country, and to avoid the risk and expense of transporting them in time of war, from the northern states, to this end, (the United States being then in a state of war;) it was considered advisable to give to colonel

Earle every facility and aid in promoting his designs, that circumstances would admit and justify.

G. BOMFORD,
Lieutenant colonel of Ordnance.

JOHN MORTON,
Captain of Ordnance.

Ordnance Department, 15th December, 1817.

*Department of War,
Additional Accountant's office, November 14, 1816.*

SIR,

Your account for the sum of forty thousand dollars advanced you by the Secretary of War, on the 3d February, 1815, has been adjusted: the expenditures having been approved by the acting Secretary of War and a balance of twelve thousand one hundred and twenty-eight dollars forty-five cents, found due the United States, which amount having this day been refunded to the Treasurer of the United States, your account as above will stand closed on the books of this office.

Respectfully,

Your obedient servant,

PETER HAGNER, Accountant.

Elias Earle, Esq. Washington City.

December 28th, 1817.

Colonel Elias Earle,

SIR,

I have received your letter, dated yesterday. It would, as you observe, be extremely inconsistent for me to attend the committee. I have not been able to leave my room, since I was attacked with the rheumatism. I am, however, much better, and expect to get out in a day or two, if I do not experience a relapse.

You request me to give you a "statement of what conversation passed between us, in my office last year, when you were here for settlement of your accounts with the government, so far as you expressed your solvency and willingness to pay the balance you stand due the government."

In answer to your inquiry, I reply, that in our conversation upon the subject of your accounts with the government, you stated that you

were fully able to pay, whatever might be found due upon settlement, of which, from information I had received, I had not any doubt. You also, according to the best of my recollection, observed, that you were ready and willing, or prepared and willing to pay whatever balance might be found due upon such settlement.

I have the honor to be,

Very respectfully,

Your obedient servant,

JOSEPH ANDERSON,

Colonel Elias Earle.

Contract with Elias Earle.

Know all men by these presents, That it is hereby mutually agreed by and between the United States (by the agency of George Bomford, Assistant Commissary General of Ordnance,) and Elias Earle, of Centreville, Pendleton county, state of South Carolina,

That the said Elias Earle shall, and will, manufacture and deliver, within five years from the date hereof, stands of arms, (muskets and bayonets, complete) conformably in all respects to patterns to be furnished to the said Earle, and in the quantities, and times of delivery, at the town of Centreville, aforesaid, as follows, to wit: The whole number to be delivered in one year, not to exceed two thousand, nor to be less than one thousand stands of arms.

It is further agreed, That the price of the said, and each stand of arms, is, and shall be, fifteen dollars, current money of the United States, and payable to the amount of each, and every parcel delivered, on demand, after strict inspection by a person, or persons, to be appointed for that purpose by the Department of Ordnance of the United States; and after such inspector or inspectors shall certify, that the said arms are delivered according to contract, and are in all respects conformable and equal to the patterns on which this contract is founded, the same having been so by him or them inspected and approved.

It is expressly conditioned, That no member of Congress is, or shall be, admitted to any share or part of this contract, or agreement, or to any benefit to arise thereupon.

Witness the hand of the said Assistant Commissary General of Ordnance, and the hand and seal of the said Elias Earle, this 16th day of February, A. D. 1815.

(Signed)

GEORGE BOMFORD, [SEAL.]

ELIAS EARLE. [SEAL.]

Sealed and delivered }
in the presence of }

JOHN MORTON.

Know all men by these presents, That we, Elias Earle, and James Harrison, are held and firmly bound unto the United States of America, in the sum of one hundred and fifty thousand dollars lawful money of the said United States, to be paid to the said United States, for which payment well and truly to be made, we bind ourselves and each of us, our and each and every of our heirs, executors, and administrators, for and in the whole jointly and severally, firmly by these presents. Sealed with our seals, dated the seventh day of June, in the year of our Lord one thousand eight hundred and fifteen, and in the thirty-ninth year of the independence of the said states.

The condition of this obligation is such, That if the above bounden Elias Earle and James Harrison, heirs, executors, or administrators, or any of them, shall and do in all things, well and truly observe, perform, fulfil, accomplish, and keep all and singular the covenants, conditions, and agreements whatsoever, which, on the part and behalf of the said Elias Earle and James Harrison, their heirs, executors, or administrators, are or ought to be observed, performed, fulfilled, accomplished, and kept, comprised or mentioned in certain articles of agreement or contract bearing date the sixteenth day of February, A. D. 1815, between George Bomford, Assistant Commissary General of Ordinance and agent of the United States therefor, and Elias Earle, of Pendleton county, state of South Carolina, for five thousand or ten thousand stands of Arms to be made by the said Earle and as expressed in the contract aforesaid, according to the true intent, meaning, and purport of the said articles of agreement or contract, then the above obligation to be void, otherwise to remain in full force and virtue.

ELIAS EARLE, [L. S.]
JAMES HARRISON, [L. S.]

Sealed and delivered }
in the presence of }

BENJAMIN H. STRIBING.

Department of War,

February 18th, 1815.

SIR,

Peace having taken place with Great Britain, there ceases to be any occasion for the employment of the Cherokee Indians, as proposed in my former instructions to you. You will therefore, deliver over to the Deputy Commissary of Purchases in South Carolina, the goods which you have purchased for the warriors of that tribe, and pay the balance of the Treasury Notes in your hands over to him.

I have the honor to be,

Respectfully, Sir,

Your most obedient servant,

JAMES MONROE.

Col. Elias Earle.

